NPAs of Banking Sector

1754. SHRI RAM DAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the banking sector is gripped with mounting Non-Performing Assets (NPAs) level of more than Rs. 45,000 crores, as reported in the Hindustan Times dated 13th October, 1998.

(b) if so, what are the details of NPAs, (bank-wise) till date, indicating names of both private/PSUs/companies having loans more than 50 crore, considered as NPA; and

(c) what steps Government have taken during 1997-98 and 1998-99 till date to reduce the NPAs indicating recoveries of loans with interest, bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) The gross Non-performing Assets (NPAs) of the public sector banks as on 31.3.1998 was Rs. 45652.64 crores.

(b) Information relating to individual accounts can not be disclosed keeping in view the secrecy provisions relating to the banker-customer relationships.

(c) Government had constituted a Committee to look into the problem of non-performing assets (NPAs) of public sector banks and to suggest measures for reduction of NPAs. Banks have formulated documents of loan recovery policy prescribing, *inter alia*, the manner of recovery of dues and the norms for sacrifices/waiver. Banks have also initiated measures for reduction of NPAs through compromise write off, through negotiated settlement to ensure maximum recovery at minimum expenses on basis of a transparent and well laid out policy. Some banks have set up independent settlement Advisory Committees to scrutinise and recommend compromise proposals. Banks have also set up Recovery Cells at their Head Quarters to monitor recovery performance, Debt Recovery Tribunals (DRTs) have also been set up to assist speedy recovery of banks dues. The improvement of credit appraisal skills has also received attention. As a result of these and other measured, the percentage of Gross NPAs of public sector banks came down from 18.01% during 1995-96 to 16.02% as on 31st March, 1998 and the net NPAs from 8.90% as on 31.03.96 to 8.13% as on 31st March, 1998.

Import Duty on Sugar

1755. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to increase the import duty on sugar, if so, upto what level and by when; and

(b) if not, the proposal of Government to save the sugar industry of the country from dumping of sugar by other countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) The question of increasing import duty on sugar is under consideration of the Government.

Level Playing Field for Domestic Industry

1756. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to provide a level playing field for the domestic industry for corporate growth in the next millenium, if so, the details in this regard; and

(b) if not, in what manner Government propose to ensure that domestic industry would develop inspite of onslaught of MNCs?

THE MINISTER OF FINANCE (SHRI YASWANT SINHA): (a) and (b) The government gives adequate importance to greater inflow of investment (public and private) in 'core' sectors of the economy. Recognising the huge demand for infrastructure services and inadequacy of domestic resources, foreign investment has been permitted in core sectors such as power, petroleum, mining, roads and highways, telecommunications. The Government is also conscious of protecting interests of the domestic industry. Special additional duty of 4 per cent imposed in 1998-99 Budget on imports of large number of items is with the aim to provide a level playing field to domestic industry. Recent measures like buyback of shares, permission to make inter-corporate investment without prior approval of Central Government, establishment of Investor Education & Protection Fund, awarding nomination facility to holders of shares/debentures and fixed deposits and statutory enforcement of accounting standards are expected to provide a strong fillip to corporate growth in the near future.

Language for Answering Papers in Exams Conducted by BSRBs

1757. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various Banking Service Recruitment Boards have made it compulsory to answer one paper in local language in the clerical grade examination;

(b) if so, whether Government are aware that this decision of the BSRB will deprive the candidates who had studied in different States upto matriculation consequent on their changing residence from one State to another due to their parents being in transferable Central Services; and

(c) if so, the details in this regard and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) Reports were received by the Government that certain Banking Service Recruitment Boards (BSRBs) have made it compulsory to answer one paper in local language in the Clerks' Grade Examination. The matter was examined and the concerned BSRBs were advised to withdraw the stipulation and issue corrigendum where the advertisements were issued requiring answering of one paper in local language. As per available information, such a corrigendum has already been issued by the concerned BSRBs.

Proper Service for LIC Policy Holders

1758. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether LIC Eastern Zone have noticed that policyholder of some branches within the town, where its headquarters is located, are not being served properly;

(b) whether the Zonal Manager Eastern Zone have received number of complaints relating to overcharging of premium and interest, non-issue of policy bonds etc.;

(c) if so, the details of complaints received during the last three months and action taken thereon; and

(d) the steps to be taken for providing proper services to policy holders in general?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) The Life Insurance Corporation of India (LIC) have informed that it has come to their notice that policy-holders of some the branches in Calcutta were having a few policy servicing problems during the transitional period following updation of